GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:273
ANSWERED ON:31.08.2007
TAX EXEMPTION TO CO OPERATIVE SOCIETIES AND BANKS
Francis George Shri K.;Thakkar Smt. Jayaben B.

Will the Minister of FINANCE be pleased to state:

(a) Whether requests for granting exemptions in respect of income tax and service tax to Cooperative Societies/ Banks have been received by the Union Government during the recent past;

(b) if so, the details thereof; and

(c) the action taken by the Government in this regard?

Answer

MINISTER OF THE STHE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to the Lok Sabha Stared Question No.273 raised by Shri K. Francis George and Smt. Jayaben B. Thakkar, Members of Parliament, for 31.8.2007 regarding 'Tax Exemption to Co-operative Societies and Banks.

(a) Yes, Sir.

(b) Representations have been received for restoration of the tax benefit under section 80P of the Income-tax Act for cooperative banks which was withdrawn by the Finance Act, 2006. Similarly, representations have also been received seeking exemption from service tax on services provided by cooperative housing societies to their members.

(c) The request for restoration of the tax benefit under section 80P of the Income-tax Act for cooperative banks has not been found to be acceptable. However, as regards the request for exemption from service tax, the Government has issued notification No.8/2007-Service Tax dated 01/03/2007 so as to fully exempt services provided by a resident welfare association to its members, subject to the condition that the total consideration received from an individual member by the said association for providing the said services does not exceed Rs.3,000/- per month.